

December 10, 2007

Karen J. Nickerson, Secretary Public Service Commission Dover, Delaware 19901

Re: PSC Docket No. 06-241

Dear Ms. Nickerson:

Enclosed for filing is the form of Power Purchase Agreement (PPA) prepared in accordance with the agencies' December 4, 2007 Order. While it is labeled an "agreement," and Bluewater has indicated that it is prepared to enter into that agreement, I wish to make clear that there are important aspects of it which Delmarva opposes, and there is therefore no mutually acceptable PPA at this point. I will submit by the end of the day on Wednesday a summary of the several issues on which it was necessary for me to specify a resolution to be embodied in the agreement, and my rationales for resolving them as I did.

Respectfully,

Lawrence A. Hamermesh